

Message Text

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61

ACTION AF-18

INFO OCT-01 ARA-16 ISO-00 EB-11 SPC-03 AID-20 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

SCEM-02 COME-00 INT-08 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 PA-04 PRS-01 USIA-15 DRC-01 SCI-06

OPIC-12 EUR-25 EA-11 /221 W
----- 032587

R 181400Z DEC 73

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 2156

INFO AMEMBASSY CARACAS

AMEMBASSY THE HAGUE

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY TRIPOLI

LIMITED OFFICIAL USE LAGOS 10099

E.O. 11652: N/A

TAGS: ENRG, NI

SUBJECT: NIGERIAN CRUDE OIL PRODUCTION

REF: LAGOS 9406

1. FOLLOWING ARE CONFIDENTIAL PETROLEUM INDUSTRY FIGURES
COMPILED NOVEMBER 26 FOR (1) ACTUAL PRODUCTION IN OCTOBER
1973 AND (2) ESTIMATED PRODUCTION IN NOVEMBER 1973. ALL
FIGURES ARE MONTHLY AVERAGES IN THOUSANDS OF BARRELS
PER DAY.

| | OCTOBER | NOVEMBER |
|--|---------|----------|
|--|---------|----------|

| | | |
|---------------|-------|-------|
| SHELL-BP/..9: | 1,367 | 1,371 |
|---------------|-------|-------|

| | | |
|------|-----|-----|
| GULF | 383 | 385 |
|------|-----|-----|

| | | |
|----------|-----|-----|
| MOBIL CU | 24) | 249 |
|----------|-----|-----|

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AGIP/PHILLIPS/NNOC 122 135

| | | |
|----------------|-------|-------|
| SAFRAP/NNOC | 63 | 76 |
| TEXACO/CHEVRON | 8 | 8 |
| TOTAGR | 2,188 | 2,224 |

2. RATE OF PRODUCTION THEREFORE INCREASED 1.6 PERCENT IN NOVEMBER (EQUIVALENT TO ANNUAL RATE OF 20 PERCENT). THIS FOLLOWS 2.3 PERCENT INCREASE IN OCTOBER, 1.7 PERCENT IN SEPTEMBER, AND 5.6 PERCENT IN AUGUST. FOUR-MONTH INCREASE TOTALS 11.7 PERCENT (EQUIVALENT TO ANNUAL RATE OF 35 PERCENT).

3. PRODUCTION INCREASES NOT LIKELY TO BE SUSTAINED AT THESE RATES. EMBASSY HAS IMPRESSION THAT COMPANIES HAVE ALREADY TAKEN MEASURES TO MAXIMIZE PRODUCTION FROM EXISTING WELLS, AND SIGNIFICANT NEW PRODUCTION REQUIRES MORE DRILLING RIGS AND OTHER RESOURCES FROM ABROAD. NIGERIA IS DEFINITELY NOT ABLE ACQUIRE ALL IT COULD USE BECAUSE OF STRONG COMPETITION FOR SAME RESOURCES FROM US, NORTH SEA, AND OTHER ACTIVE AREAS. OTHER SIDE OF SAME COIN IS THAT PRODUCING COMPANIES ARE APPARENTLY UNWILLING PAY ENOUGH (EITHER IN CASH OR LENGTH OF CONTRACTS) TO COMPETE. THIS IS DUE IN PART TO LESSER PROBABILITY OF RETURN FROM INVESTMENT IN NIGERIA WHERE OIL FIELDS ARE RELATIVELY SMALL, BUT IT UNDOUBTEDLY ALSO DUE RELATIVELY GREATER POLITICAL UNCERTAINTY. ONE EXCEPTION TO GENERAL RULE IS OCCIDENTAL PETROLEUM WHOSE CHAIRMAN (ARMAND HAMMER) VISITED NIGERIA LAST WEEK AND ORDERED HIS RESIDENT MANAGER TO INTENSIFY HIS SEARCH FOR RIG TO RESUME OFFSHORE DRILLING.
CROSBY

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NNN

Message Attributes

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Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTION, PETROLEUM INDUSTRY
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Copy: SINGLE
Draft Date: 18 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Errors: N/A
Film Number: n/a
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ISecure: 1
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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EO Systematic Review
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